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April 18, 2005

Honorable James H. Welch Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

> Re: Nonion Struma RC SUA Gillis-English Bayou Field Calcasieu Parish, Louisiana

Application is hereby made on behalf of New Century Exploration, Inc. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the establishment of rules and regulations and the recreation of a single drilling and production unit for the exploration for and production of oil and gas from the Nonion Struma Sand, Reservoir C in the Gillis-English Bayou Field, Calcasieu Parish, Louisiana:

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and the production of gas and oil from the Nonion Struma Sand, Reservoir C, said unit to be designated NS RC SUA.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acre basis of participation.
- 3. To provide that any future wells drilled to the Nonion Struma Sand, outside Reservoir C, should be located according to the spacing provisions of Statewide Order No. 29-E.
- 4. To authorize the Commissioner of Conservation to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 5. To consider such other matters as may be pertinent.

The Nonion Struma Sand Reservoir C, in the Gillis-English Bayou Field, Calcasieu Parish, Louisiana, was previously defined in Office of Conservation Order Marc No.252-A, effective November 15, 1994.

Pertinent data, including well logs, may be obtained AT THE COST OF THE REQUESTING PARTY from E. Holmes Smart at Frank W. Harrison, Jr.'s Office, P. O. Box 51943, Lafayette, Louisiana, 70505, Telephone Number (337) 232-4031.

A conference was held at the Petroleum Club in Lafayette on April 13, 2005. Frank Harrison on behalf of New Century Exploration, Inc. made a presentation of the two geographic units being proposed for the Pujol and Nonion Struma Sands. Mr. Travis Helms on behalf of Mr. Derouen made a presentation of a different plan on behalf of his client relative to the Pujol Sand which expanded the unit northward to include 110 acres. In addition, Mr. Terry Johnson made a different proposal for Cameron Barr which extended both units westward and to the south comprising 200 acres in both the Pujol and Nonion Struma Sands. After discussions relative to possible resolutions of differences the conference ended with no action.

After further discussion, a compromise has been reached with one of the parties, Mr. Travis Helms, and the compromise plan is attached to this application.

Should anyone receiving this application wish to consult regarding the compromise proposal, please notify the undersigned.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal and a list of names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished by the undersigned to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties, and Represented Parties.

Yours very truly.

E. Holmes Smart

EHS/hs
Attachments

cc: Mr. Richard Hudson
Office of Conservation
Brandywine III
825 Kaliste Saloom Road
Lafayette, Louisiana 70508

cc: Interested Owners, Represented Parties and Interested Parties

